



Senate

General Assembly

February Session, 2016

File No. 446

Senate Bill No. 397

Senate, April 4, 2016

The Committee on Commerce reported through SEN. HARTLEY, J. of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING A MUNICIPAL OPTION FOR PROPERTY TAX ABATEMENTS FOR ARTS AND CULTURE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2016, and applicable to assessment*
2 *years commencing on or after October 1, 2016*) Any municipality may, by
3 vote of its legislative body or, in a municipality where the legislative
4 body is a town meeting, by vote of the board of selectmen, abate up to
5 one hundred per cent of the property taxes due for any property used
6 for arts or culture, including, but not limited to, art galleries, art
7 studios, installation galleries, movie theaters, performance venues and
8 retailers catering to or relating to the arts.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i>	New section
-----------	---	-------------

CE *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	Grand List Reduction	None	Potential

Explanation

The bill allows municipalities to abate property taxes, up to 100%, for property used for arts and culture. To the extent that municipalities choose to do this, there is a grand list reduction that will vary based on taxes owed on property used for arts and culture. A grand list reduction results in a revenue loss, given a constant mill rate.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to municipal grand lists and mill rates.

OLR Bill Analysis**SB 397*****AN ACT CONCERNING A MUNICIPAL OPTION FOR PROPERTY TAX ABATEMENTS FOR ARTS AND CULTURE.*****SUMMARY:**

This bill allows municipalities to abate up to 100% of the property taxes on otherwise taxable property used for arts and culture, including art galleries and studios, installation galleries, movie theaters, performance venues, and stores and restaurants catering or relating to the arts. A municipality that chooses to abate the taxes on these properties must do so by a vote of its legislative body. If that body is a town meeting, the board of selectmen must vote to abate the taxes.

The law already exempts nonprofit organizations from paying property taxes on arts and cultural facilities they own and operate as long as they use them only for scientific, educational, literacy, historical, or charitable purposes. (Nonprofit organizations that preserve open space land also pay no property taxes on the land) (CGS § 12-81(7)).

EFFECTIVE DATE: October 1, 2016 and applicable to assessment years beginning on or after October 1, 2016

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 20 Nay 0 (03/17/2016)